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PRESS ADVISORY

Secretary of Defense William J. Perry will speak to Air War College students at 10 a.m. (CDT), Tuesday, April 5 in the Air War College Auditorium at Maxwell Air Force Base, Montgomery, Alabama. Secretary Perry will speak on "U. S. Policy Toward Russia and the States of the Former Soviet Union." Time permitting, Secretary Perry will be available to the media for a brief question and answer session following his presentation.

Media representatives who plan to attend should call the 502nd Air Base Wing Public Affairs office at (205) 953-2014 to make the necessary arrangements.

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NEWS RELEASE

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SECRETARY OF DEFENSE WILLIAM PERRY'S REMARKS TO AIR WAR COLLEGE AT MAXWELL AIR FORCE BASE ON APRIL 5, 1994

Secretary Perry: Thank you very much, [illegible]e, and General Robinson. I want to also thank Montgomery Mayor Emory Folmar for coming out today. You honor me by being here.

It is a great pleasure to speak to the students at the Air War College. You are the leaders of our military services in the future.

I have some bad news for you about the problems you're going to have in the future, and I'll talk about some of those today. (Laughter) But, it is certainly true that the new world in which you're going to lead is very, very different from the national security world facing you when you signed up for the service.

I believe that the most significant national security development in this past decade has been the collapse of the Soviet Union, along with the disbanding of the Warsaw Pact. The most significant national security event of the next decade will revolve around whether or not the reform movement underway in Russia and neighboring states succeeds or fails. In particular, if that failure leads to a totalitarian government in Russia, this will be a profound national security development.

We, in the United States cannot control the outcome of the developments underway in Russia, Ukraine, Kazakhstan, and Belarus today, but, we can influence those outcomes. Because the difference between a positive outcome and a negative outcome is so important, our policy is that we will try to influence that outcome to a positive result.

I've just returned from a trip to Russia, Ukraine, Belarus and Kazakhstan. These are the four former Soviet states which still have nuclear weapons located on their territory. Before I left for this trip I gave a speech at George Washington University, outlining the policy of the United States towards developments in these four countries. In particular, I emphasized the policy towards Russia, as the largest of the surviving states of the Soviet Union.

I call this policy a pragmatic partnership, and I want to talk to you today, both about the partnership aspect of it, and about the pragmatic aspect of it.

This partnership is grounded in our vital national security interests in Russia. The first of those is guaranteeing the nuclear safety of that enormous nuclear arsenal, which is a surviving legacy of the Cold War.

The second important objective is preventing the proliferation of weapons of mass destruction, and particularly, nuclear weapons to other states.

A third very obvious one is maintaining the regional stability in, and among, the nations that formerly made up the Warsaw Pact.

Finally, we want to avoid a renewal of the antagonistic global rivalry which formerly characterized our relationship with Russia.

These interests, then, are the cornerstones of a new relationship with Russia that moves beyond containment of the Cold War to this new, what I'm calling, "pragmatic partnership."

Our challenge then, and the challenge of Russia, is to build this new pragmatic partnership with a nuclear superpower undergoing revolutionary change even as its empire dissolves. This is a daunting challenge for us, and a daunting challenge for the Russians, and the Ukrainians.

But, I believe we can succeed if we stick to a policy which is based on two premises. First of all, realism; and secondly, pragmatism.

By realism I mean looking squarely at the dynamic changes underway in Russia today and assessing how different outcomes to those changes could affect the vital national security interests of the United States. Looking squarely at what is happening there.

By pragmatism, I mean establishing a policy which emphasizes programs which are win/win. That is, they are beneficial to Russia, beneficial to Ukraine, while, at the same time advancing the national security interests of the United States.

Let's start off by looking at some facts. First of all, the Cold War really is over. The Warsaw Pact is gone, and it will never be rebuilt. The Russian forces that have replaced the Red Army and the Soviet Navy are drastically smaller, and certainly, much less threatening. And the spread of communist ideology to the Third World has been halted.

However, there is much that has not changed. Most important of these, there are still 25,000 nuclear weapons in the lands of the former Soviet Union. These weapons are still capable of destroying the United States, and indeed, destroying the entire world.

Meanwhile, in Russia the surrounding states are in flux. The Russian people in particular have been trying in a few short years to change from an authoritarian government to a democratic government; from a state-controlled economy to a market economy. It is very clear that the success of these experiments is by no means guaranteed. Indeed, they have dismantled the controls of the previous system, but they have not yet succeeded in establishing the controls of the new system, which they're trying to build.

In the words of the Italian philosopher Gramsky, "The old is dying, but the new cannot yet be born. And in the meantime, a great variety of morbid symptoms appear."

Ironically, Gramsky said that during the mid '30s, and he was speaking of what he saw as the demise of capitalism. But, his words today very aptly apply to the demise of communism.

The first reality, then, that we need to understand about this situation is that even with the best outcome imaginable, which is a fully democratic, market-oriented Russia; a fully democratic, market-oriented Ukraine; that these states, and Russia in particular, will still have interests which are different from our interests.

Reality number two is that a worst case outcome is possible. That is, Russia conceivably could emerge from this turbulence as a totalitarian imperialistic nation, hostile to the West.

Because that outcome would be so disastrous, not only for ourselves, the Russians, and for the rest of the world, we owe it to ourselves, and we owe it to our children to do all that we can to influence a positive outcome. But, because we do not control the outcome, we must also have a national security strategy that hedges against a possible negative outcome. Therefore, our policies and our strategies of these two parallel components, first trying to influence events to a positive outcome, but, also being prepared to deal with a possible negative outcome. This is what I'm calling the pragmatic partnership.

My trip to Russia, Kazakhstan, Ukraine, and Belarus showed our policy of a pragmatic partnership in action. I want to talk to you a little bit about some of our findings on that trip.

The most important issue to be addressed on the trip is the ongoing dismantlement of the former Soviet nuclear arsenal, now located in those four states. And we are making real progress.

When I was in Kiev, for example, we signed an agreement to provide an additional $50 million, making a total of $185 million in what we call Nunn/Lugar funds to assist in the dismantling of Ukrainian nuclear weapons.

When I signed this agreement I asked President Kravchuk and General Radetskiy who is the Minister of Defense, if I could go down to Pervomaysk, which is their operational ICBM site, and see this dismantling in process. They granted me that request, and so, I and my delegation did go down to Pervomaysk, where they have both the SS-19 and the SS-24 missiles based -- all of them, at one time, targeted at the United States.

When I got there, they took me down to the control center 100 meters underground, and we went into a little room where there were two Russian soldiers operating the control center there, and they gave me a demonstration. They went through a complete checkout of all of the missiles there, which is the last phase they take prior to launching the missiles.

I have to say, for me it was a stunning experience to be standing there watching these two young soldiers bringing these missiles up in readiness for firing. These two young men had the potential to control 100 missiles with 800 warheads on them. They had, therefore, the ability to essentially devastate every major city in the United States. That's an image which will live with me for a long time.

We then left the control center and went out to the silos where the missiles were based, and they had the lids of the silos open. We went over and looked down, and there we saw the missiles still in place, but the nose cone and the warheads were all gone because they had been shipped the week before to the dismantlement facility in Russia. Indeed, up to the date that I visited there had been 120 warheads already removed from Pervomaysk and sent to the dismantlement facility.

This is real conversion going on. This is what, in the Defense Department, we call defense by other means. I can't think of a more effective way of defending yourself against a warhead than to have it removed and sent out for dismantlement.

You might say, then, that the first part of that visit, going down to the control center and seeing them operating the controls on all of these missiles, brought home the reality of the Cold War, and then going out to the silos and seeing the warheads missing from the missiles brought home the changes in this post Cold War era that we can potentially see.

A second issue, which we explored on the trip had to do with defense conversion -- converting the massive defense industry in Russia, Ukraine, Kazakhstan and Belarus over to the production of civilian products. This is a

staggering challenge for these states. It means shifting resources, people, skills, technology, production lines, to satisfy commercial markets that, in the first place, aren't developed properly in those countries; and in the second place, dealing with people that have no essential mobility to move from job to job, or from town to town.

We can, we should, and we are helping Russia and these other states convert their defense industries because this is in the best national security interest of our country.

In Belarus we announced the first awards of contracts under the Nunn/Lugar program designed to stimulate this defense conversion. These were three contracts totaling about $10 million, with teams...U.S. companies, with Belarus defense companies that once made optics, computers, and microelectronics for these nuclear weapons, and instead, these projects, which we were sponsoring, to help them make related projects for commercial use. Those three projects were actually started while we were there.

In Russia we are moving ahead with a project to convert a Russian defense factory to the production of prefabricated housing. There we're using $20 million in, what I call, Nunn/Lugar funds so that U.S. prefabricating housing companies including, by the way, one in Alabama, will team up with former Russian defense firms, and build these badly needed houses. These homes then will be used to house demobilized military officers from the Russian strategic rocket forces. A long range goal is to establish a prefabricated housing industry in Russia, which over the long term will help take care of a very important social need in that country.

This is a win/win/win initiative. First of all, the U.S. firms get the contract to build the demonstration houses and for setting up the construction process in the Russian factories. Second, the Russian companies gain the free training and the technology. Finally, the Russian government gains because one of its biggest problems is finding housing for demobilized military personnel.

During my trip we also signed an agreement to launch other Russian defense conversion projects that, basically, call for U.S. companies to team with Russian defense companies to assist them in the marketing and in the manufacturing processes involved in the manufacture and selling of commercial products.

The countries are also doing some conversion of their own. When I was in Ukraine, right after I went to Pervomaysk to see the ICBM launch site, we went over to a city called Dnepropetrovsk, which is in the southern part of Ukraine, and it's where the SS-18s were manufactured. Those of you who have studied strategic missiles and rocketry know that the SS-18 was, for years, considered the most menacing threat to the United States. It was the missile which inspired the MX program, it was the missile that inspired the strategic defense initiative. So, the SS-18 is an important missile for us in the United States.

When I was at this plant we went to the factory where the SS-18s had formerly been manufactured. This manufacturing is completely stopped there, and in this huge factory, where they used to make SS-18s, they were now manufacturing electric buses. Now, that was, from my point of view, the good news. I felt much more comfortable with them manufacturing electric buses than SS-18s. The bad news, from the point of view of the Ukrainian plant manager, is he had 46,000 workers at this plant, and he had not figured out a way to engage 46,000 workers in building electric buses. The market just doesn't sustain that. So, they have a significant, and a very difficult problem in effecting this conversion. It was encouraging, though, to see some part of it already underway.

We also used this trip to forge very close working relationships with the defense establishments of those four countries. Indeed, that was the first thing that the defense officials wanted to talk about -- how to strengthen our defense and military ties. And I know that you have here at the Air War College, 60 different students from other countries. This is a part of the program we have for strengthening defense and military ties with other countries. These contacts, I believe, will go a long way to decrease suspicions and increase understanding, as the military is, and will continue to be, a very key player in all of the countries that we're concerned with.

I might mention that our attaché in Moscow, Air Force Brigadier General (Select) Gary Rubis, is doing a really superb job. He has the confidence not only of the ambassador, but of the Russian Defense Ministry. In fact, today he provides an example to the Russian military of how officers serve in a democracy. He is, first of all, a competent military officer; but he also demonstrates diplomacy, intelligence, and the ability to serve civilian leaders, as well as senior uniformed personnel. He provides a tremendous service to me, as well as an example we would like the Russian military officers to emulate.

We're developing very close collegial relationships with the Defense Ministers in those countries, which is very important to me. Any time I have a crisis, or a problem dealing with one of those countries, an emergency of some sort, I can get on the phone and call the Minister and I now know, having met them and talked with them, I now know who it is that I'm talking with.

To facilitate this, we have set up in the Pentagon dedicated lines between my office and the office of the Minister of Defense in Russia; and then, on this last trip we agreed to do the same with General Radetskiy, who is the Minister of Defense of Ukraine. So, we have dedicated telephones, which can handle encrypted conversations between the Defense Ministers of our two countries.

In Kazakhstan they had a different issue. They wanted help in setting up, what is essentially a coast guard in the Caspian Sea. Kazakhstan, if you're familiar with the geography, does not have an ocean on its borders, but it borders the Caspian Sea, which is a huge inland sea. Also bordering on the Caspian Sea is Iran

and Russia. They were particularly concerned with the border with Iran, namely about radical fundamentalist movements trying to infiltrate their country, so, they wanted to establish a coast guard there to control that infiltration, and we agreed to help them set that up.

The trip also revealed some, I thought, hopeful signs and developments in Russia. During my discussion with Defense Minister Grachev in Russia, he agreed that Russia would join the Partnership for Peace, which is an extension of NATO that allows NATO nations and Central and Eastern European nations to work together on peacekeeping missions, including joint training and joint exercises.

These successes and some of the hopeful signs we see did not blind us to the difficulties that still remain. Therefore, besides these programs of cooperation, we also have to have, as I said earlier, a hedge strategy, to hedge against the possibility of a negative outcome. So, our policies and our strategies have these two parallel components. Trying, on the one hand, with every resource we have, to influence events to a positive outcome; but on the other hand, being prepared to deal with a possible negative outcome. Ensuring the safety of the former Soviet nuclear arsenal, halting proliferation, converting Russian defense industries, and maintaining open lines of communication with the Russian defense establishment serve our interests whether or not reform succeeds.

The most important part of our hedge strategy is maintaining a fully capable, and a fully ready armed forces. Every time I visit one of our bases, I'm struck by the dedication and the professionalism of the men and women in uniform. This last week I attended a memorial service at Fort Bragg for the soldiers killed when the fire and debris from a crashing F-16 hit the staging area where they were assembling, preparing to board a C-141 for a jump. That horrible accident was a harsh reminder of the danger of military service even in peace time, and even in our own country.

After the service I went to the hospital to visit the injured. There were about 26 or 27 soldiers there who are recovering from the burns they received in that accident. I was truly amazed at the spirit of these soldiers. The survivors' immediate response to the accident shows the quality of our service members. They didn't panic, they didn't run. Soldiers, who were not affected by the accident, but were close enough to help, immediately ran over and started helping their comrades who had suffered the burns.

I talked to at least five or six soldiers who had no injuries at all in the accident itself, but got badly burned by going over and trying to pull their buddies out of the conflagration that was going on. These soldiers, and their counterparts in the other services, show why we have the finest military in the world, and we intend to keep it that way.

Our hedge strategy also involves putting some items in our present budget that cannot be justified by the current threats that we see in the world. Even though we are downsizing our force, the research and development part of our budget will stay higher than it was in the late '70s, which is the time we were building up, we were developing all the systems which were later used to such great effect in Desert Storm.

In addition, we are maintaining, what I would call, a minimum essential defense industrial infrastructure so that we have the capability to reconstitute key elements of our military forces, if it is required. In particular, we plan to maintain a minimal production capability and R&D capability for nuclear weapons. We are not building nuclear weapons today, neither are we disassembling facilities which we would need to build if we ever had to go to them in the future.

We're also continuing to build nuclear submarines at a low rate, even though we don't have any current need for submarines. The problem of stopping the production on those systems is once we stop them, then five years later or seven years later we try to restart them again, we'd find that we have forgotten how to do it. We will have lost intellectual capacity, intellectual know-how, which allows us to build these very high quality weapon systems today. So, we're continuing to build nuclear submarines, we're continuing to build Trident missiles. We're continuing an upgrade program for the M1 tank. All of these as ways of maintaining, at the lowest cost possible, a minimum essential industrial base.

These efforts give us a measure of protection against threats that may develop in the future, but, in the present we regard Russia as a partner and we work together on common interests. We will find, often, that our interests will coincide with Russia's. Sometimes they will not. Still other times, they won't have much to do with each other.

Some of our critics have said that it is a mistake to make Russia a partner. They argue that Russia is still our primary rival. I say that is a false dichotomy. Russia can be both our partner and our rival, and both at the same time. All major powers -- including friendly powers -- have interests that sometimes conflict.

Winston Churchill once noted that "Even with allies," he said in his own wonderful way, "it sometimes happens that they develop opinions of their own." (Laughter) And so it is with all of our allies. They develop opinions of their own, just as we develop opinions of our own about how things should be done in their countries. This is true of the United Kingdom, it's true of France, true of Japan. Why should we not expect it to be true of Russia, Ukraine, Kazakhstan, and Belarus?

We do expect, however, that Russia will recognize the benefits of being a responsible member of the world community, and that the areas of disagreement we

have will resolve in a peaceful way, and we will all use dialogue to solve our problems rather than military force.

These are our expectations for relations with all major powers, and should be the standard of the American/Russian relationship as well.

In sum, our policies are based on a pragmatic, realistic approach towards Russia and the other former states of the former Soviet Union. On the one hand, we work to assist Russia in areas beneficial to both of our countries; but on the other, our policies and strategies protect us from negative outcomes.

I'd like to close with a quote from the British author Graham Greene. He said, "There always comes a moment in time when a door opens and lets the future in." The ending of the Cold War has opened such a door. The future is out there, waiting to come in. The United States, our allies, and the states of the former Soviet Union should seize this moment and shape the future, instead of being shaped by it.

Thank you very much.

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Perry: Military action would be last resort in Korea

MONTGOMERY (AP) — Letting diplomacy work, U.S. Defense Secretary William Perry said military action remains a distant option in settling a dispute with North Korea over inspections of nuclear sites.

Perry said Tuesday he plans to discuss with South Korea what to do if diplomacy fails when he visits Seoul next week.

North Korea denies it is developing nuclear weapons but has warned of war if it is pushed too far. Its refusal to allow nuclear inspections of some sites has raised suspicions.

"We are concerned. We are not intimidated," Perry said in answering audience questions following a speech to the Air War College at Maxwell Air Force Base in Montgomery.

He said North Korea is less dangerous now than it would be in two to three years, if it is developing nuclear weapons and is allowed to continue. By that point, Pyongyang could have one or two bombs in its arsenal, Perry said.

The first objective of current negotiations is to get the inspections issue back on the table, Perry said in remarks to reporters after the question-and-answer session.

If the nuclear inspections issue is settled, the next goal is to restart talks between North Korea and South Korea, he said.

"We are a long way from moving beyond diplomacy," he said. But, if diplomacy doesn't succeed, "we will have to decide, arm-in-arm with South Korea, what kind of pressure to put on North Korea."

The defense secretary stressed that all options would have to be exhausted before military action would be considered.

In his speech on U.S. policy in Russia and other members of the Commonwealth of Independent States, Perry said the United States should maintain a "pragmatic partnership" with those nations.

He said 25,000 nuclear weapons remain in Russia, Ukraine, Belarus, and Kazakhstan and although these are being dismantled, they remain capable of world destruction.

Perry said the United States can and should do what it can to develop the emerging free market system and political democracy in the former Soviet states, along with providing incentives for turning the former Soviet war machine into non-military industry.

But he noted that the United States cannot control the political climate in those countries, and in a worst-case scenario, Russia could become a totalitarian government hostile to the West.

For that reason, Perry said, the United States must maintain a strong and capable military.

He quoted Winston Churchill as saying, "Even with allies, it sometimes happens that they develop opinions of their own."